

Citigroup Property Investors

Organization and Background: Citigroup Property Investors (CPI) was established in May of 2004 to consolidate the various global real estate investment activities of Citigroup and its successor companies. Senior management of Citigroup embarked on creating a real estate investment management company with a global real estate securities platform and dedicated a significant amount of Citigroup's proprietary capital to invest in this asset class.

Locations: New York-9, London - 2.5, Hong Kong 1.5. One analyst is half-time Europe, half-time Asia.

Professional Staff:

Name	Title	Responsibilities	Years of Investment Experience	Years working in proposed Investment Strategy	Educational Degree
Daniel Pine	Managing Director	Will act as Portfolio Manager for the CalPERS account	25	2	BA
Corrado Russo	Vice President	Assistant Portfolio Manager/Senior Analyst	10	1	MBA
Jana Sehnalova	Vice President	Analyst	4	2	MBA
Claudia Reich	Vice President	Analyst	4	2	MBA
Brad Schneider	Assistant Vice President	Analyst	3	3	MBA
Sam Sahn	Assistant Vice President	Analyst	2	2	BA
Matthew McAvoy	Head Trader	Equity Trading	4	1	BA
Stephen Coyle	Managing Director	Head of Research and Chief Investment Strategist	17	4	MA

Mandate: Global (ex - US)

Strategy: Alpha is created from a three-pronged approach to both return and risk: real estate, company, and security; each with its own set of operating variables. By combining their analysis at these three levels they generate a total return expectation for each security in their investable universe. Risk is projected separately for each company using different but overlapping variables. Securities are valued intrinsically and by relative value. Stock selection is the largest component of outperformance, while sector and country selection are derivatives of individual stock selection.

International REIT Assets under Management: \$118 million

Expected Returns: 1.2-1.5 times the benchmark (FTSE/EPRA NAREIT Global ex-US)

Risk Assessment: A risk management report is produced daily which outlines any variances that may have occurred relative to concentration limits as well as a detailed VaR analysis, maximum drawdown, maximum monthly and daily loss, and maximum net delta as a percentage of long market value. Also focuses on risk at the individual security level through an internally developed proprietary risk model.

European Investors Incorporated

Organization and Background: European Investors Incorporated (EII), founded in 1983, is an independent, employee-owned investment management firm engaged in structuring and managing portfolios invested in US and international (European and Asian) real estate securities.

Locations: New York (2 strategic/executive advisors, 1 portfolio manager, 1 analyst, 1 trader), Amsterdam/Munich (1 portfolio manager, 3 analysts), Singapore (2 analysts).

Professional Staff:

Name	Title	Responsibilities	Years of Investment Experience	Years working in proposed Investment Strategy	Educational Degree
James Rehlaender	Managing Director	Portfolio Manager (would be primary PM for CalPERS)	22	7	MBA
Peter Nieuwland	Vice President	Assistant Portfolio Manager and Senior Analyst	10	5	MBA
Joris Jansen	Senior Analyst	European Real Estate Securities Analyst	6	1	MS
Manish Bhargava	Analyst	Asian Real Estate Securities Analyst	4	2	MS
Yvo Timmermans	Analyst	Asian Real Estate Securities Analyst	1	3 months	BA
Maarten Van Brink	Junior Analyst	Supporting European Real Estate research	3 months	3 months	BA

Mandate: Global (ex - US)

Strategy: EII aims to maximize total returns for long-term holders. Focus is on concentrated stock positions. Does not focus on benchmarks. Examines factors like discount to NAV, growth potential, management and attractive fundamentals. Investment universe includes REITs and non-REITs principally engaged in real estate (not retailers, pure developers, or hotel operating companies). Stocks with a minimum market cap of \$200 million are evaluated.

International REIT Assets under Management: \$770 million

Expected Returns: 12% to 15% annually

Risk Management: No more than 30% of the portfolio will be invested in one country, except the UK. No specific sector limits but intent is to be diversified across major property sectors. No more than 10% of total assets in securities of any issuer. No more than 5% in any emerging market category with a maximum of 30% in emerging market exposure.

Morgan Stanley Investment Management

Organization and Background: Morgan Stanley Investment Management (MSIM), founded in 1975, is a 100% owned subsidiary of Morgan Stanley. MSIM employs 444 investment professionals, including 10 involved in International REITs. MSIM has been investing in real estate since 1995 in the US and since 1997 in Europe and Asia.

Locations: London (2 portfolio managers, 1 analyst, 1 trader), New York (1 portfolio manager, 1 analyst), Singapore (1 portfolio manager, 3 traders).

Professional Staff:

Name	Title	Responsibilities	Years of Investment Experience	Years working in proposed Investment Strategy	Educational Degree
Ted Bigman	Managing Director	Lead Portfolio Manager, Global Real Estate	19	11	MBA
Sven van Kemenade	Executive Director	Co-Lead Portfolio Manager, European Real Estate	9	9	MS
Michiel te Paske	Executive Director	Co-Lead Portfolio Manager, European Real Estate	9	9	MS
Angeline Ho	Executive Director	Lead Portfolio Manager, Asian Real Estate	15	9	MBA
Christina Chiu	Senior Associate	Global Research	4	4	BS
Tim Gibson	Associate	European Real Estate	5	5	MS

Mandate: Global (ex - US)

Strategy: A top down, bottom up approach that looks for attractive valuations relative to net asset value and growth. Overweight markets with strong fundamentals. Other considerations include geographic and sector diversification and liquidity. Emphasis on stock selection. 40% of added value comes from stock selection but 60% comes from country allocation. Main source of outperformance is buying securities that trade at best relative valuation, using proprietary NAV models to assess relative valuation.

International REIT Assets under Management: \$293 million

Expected Returns: Outperform index (FTSE/EPRA NAREIT Global ex-US) by 100 to 150 bps

Risk Assessment: Sets target holding limits for each property sector or country and for each company. Minimum and maximum ranges are assessed quarterly. Monitors positions versus the benchmark on a daily basis. Risk controlled by over/under weights in sector, region and country. Sector limits 50%, stock limits 10%. Claimed one of the lowest standard deviations among their peers.

Presima Incorporated

Organization and Background: “Presima” was created by the Caisse de depot, one of the largest Canadian institutional investor, to commercialize its unique expertise in the management of Global Public Real Estate Securities (PREES). Presima was legally incorporated in April of 2004, but has been running a global PREES strategy since 1998.

Locations: Montreal (2 Strategic/Executive advisors, 5 portfolio managers, 2 analysts, 1 trader)

Professional Staff:

Name	Title	Responsibilities	Years of Investment Experience	Years working in proposed Investment Strategy	Educational Degree
Ron Cheshire	Vice President, Portfolio Manager, CIO	Responsible for all investment strategies and CalPERS’ mandate	15	5	MBA
Frederic Belhumeur	Portfolio Manager	Covers all sectors of Asian-Pacific region	4	4	M. Sc. Finance
Marc-Andre Flageole	Financial Analyst	Covers all sectors of Asian-Pacific region	1	Recently hired	M. Sc. Finance
Stephane Larsen	Director and Portfolio Manager	Covers all European sectors	6	4	M. Sc. Finance
Sebastien Nadeau	Financial Analyst	Covers all European sectors	1	Recently hired	M. Sc. Finance
Frederic Blondeau	Director and Portfolio manager	Supervises Presima’s Global Relative Return Strategy	9	5	BAA Finance
Caroline Bedard	Portfolio Manager	Covers various North American sectors	11	5	BAA Finance
Martin Turcotte	Financial Analyst	Trading activities	4	1.5	BAA Finance

Mandate: Global (ex - US)

Strategy: Bottom-up approach, long-term balance between current income and capital appreciation. Employs an actively managed, strong-buy approach, with geographical and sector diversifications.

International REIT Assets under Management: \$427.4 million

Expected Returns: Outperform index (FTSE/EPRA NAREIT Global ex-US) by 200 bps.

Risk Assessment: Concentration limits apply for country, sector and securities. Emerging markets are limited to 10% of the index. Stop loss is used if value falls below 80% of market value and half of the shares are sold; if value falls below 70%, the position is liquidated.

RREEF America LLC

Organization and Background: RREEF, established in 1975, became a wholly-owned subsidiary of Deutsche Bank in April 2002. RREEF operates as the real estate arm of Deutsche Bank's asset management division. RREEF has been managing portfolios of US real estate securities for institutional clients since 1993 through a dedicated public REIT team. Public real estate securities platforms have been managed in Australia by Deutsche Bank since 1997 and were established in UK/Europe and Asia in 2004. In October 2004, RREEF's first global real estate securities strategy was launched utilizing the same regional investment teams and platform as the strategy proposed by this mandate.

Locations: Chicago (4 portfolio managers, 7 analysts, 2 traders), London (1 portfolio manager, 2 analysts), Sydney/Hong Kong (2 portfolio managers, 4 analysts)

Professional Staff:

Name	Title	Responsibilities	Years of Investment Experience	Years working in proposed Investment Strategy	Educational Degree
John Robertson	Managing Director	Head of North American Real Estate Securities	15	1.5	MBA
Daniel Ekins	Managing Director	Head of Asia/Pacific Real Estate Securities	20	1.5	B. App. SC.
John Hammond	Managing Director	Head of European Real Estate Securities	15	1.5	BSC
William Leung	Vice President	Portfolio Manager, Asia	9	1.5	MBA
Ross McGlade	Vice President	Portfolio Manager, Australia	19	6 months	BBus
Kazuhiro Hide	Analyst	Securities Analyst, Asia	10	1.5	MBA
Robert Plant	Analyst	Securities Analyst, Asia	1	1	BSC
David Curtis	Vice President	Securities Analyst, Australia	6	1.5	B Com
Chris Robertson	Vice President	Securities Analyst, Australia	6	1.5	B Bus

Mandate: Global (ex - US)

Strategy: Region allocation set by allocation committee, stock selection made locally. Senior regional portfolio managers meet every two weeks to review trends and conditions. Top-down, actively allocate to regions, analyze individual stocks, actively manage to exploit inefficiencies. Macro conditions may result in mispricing, but property performance drives returns in the long term.

International REIT Assets under Management: \$1.406 billion

Expected Returns: Outperform index (FTSE/EPRA NAREIT Global ex-US) by 225 to 250 bps

Risk Management: Concentration limits by region, stock limit +/- 5%, non-benchmark securities 2.5% individually and 20% in aggregate.